ASSET Initiative Getting Banked

Without access to well-regulated mainstream financial institutions, many low-income families and individuals spend hundreds of dollars on financial transactions like cashing checks and paying bills. Many families are also vulnerable to predatory financial practices, such as being charged fees for cashing paychecks or high interest for taking out small loans until their next payday. Some families fall further into debt because they use high-interest credit cards to pay medical or other bills.

Being banked includes getting help opening savings, checking, and money market accounts and accessing financial products best suited to the needs of individuals and families. Connecting families and individuals to mainstream financial services can help low-income families and individuals save money and increase their financial security.

Programming Ideas

Ways to integrate getting banked into your organization's programming include:

- Joining the local Bank On Initiative if one is in place in your community.
- Providing workshops that educate your clients on the importance of using mainstream financial services rather than high-cost financial products.
- Partnering with local credit unions and banks to create no-cost savings accounts for your families.
- Working with America Saves, a coalition of nonprofit, business, and government organizations that use Webbased efforts and local media campaigns to encourage families and individuals to save through mainstream financial institutions. To learn more, visit www.americasaves.org.
- Working with local employers to offer direct deposit to clients and encourage clients to set up direct deposit.
 Also, by March 1, 2013, everyone who receives Federal benefits by paper check will need to switch to electronic payments—direct deposit to a bank or credit union account or to the Direct Express® Debit MasterCard® card.
 To learn more, visit www.godirect.gov.

Successful Programs

These programs and others are highlighting the value of bringing mainstream banking services to families:

Bank on San Francisco, a collaboration between the City of San Francisco Treasurer's Office, the Federal Reserve Bank of San Francisco, and AFI grantee EARN, works with financial institutions in San Francisco to provide low-cost starter banking services for the unbanked. The program has helped open over 25,000 accounts since it launched in September 2006. For more information on Bank on San Francisco, visit http://bankonsf.org.

El Paso Affordable Housing Credit Union Service

Organization (EPCUAH) is a coalition of eight credit unions in and around the city. The credit unions have worked together for 8 years to address poverty and housing issues. The coalition offers specific individual development account (IDA) financial education workshops, which focus on the needs of low-income families. EPCUAH has helped participants save \$443,638 in 454 IDAs. For more information, visit www.epcuah.com.

The Assets for Independence (AFI) Program, the largest source of Federal funding for IDAs, provides funding for nonprofit organizations, qualified State and local governments, community development credit unions, and other community-based organizations to provide financial education and IDAs for qualified individuals in their area. AFI offers grant funds for asset building programs nationwide that provide low-income individuals and families with tools they need for long-term economic success. Contact the AFI Resource Center for more information on partnering with or becoming an AFI grantee.

Visit the AFI Resource Center Web site at www.IDAresources.org for more information on savings and IDAs. Contact the AFI Resource Center to talk with an asset building specialist about strategies for bringing asset building to the families you serve.



About the ASSET Initiative

Families stand a better chance of escaping poverty if they know how to use their money and resources effectively, and grow their assets over time. The ASSET Initiative, a collaborative effort within the Administration for Children and Families (ACF), brings together ACF offices and their partner agencies and organizations at the State and community levels to extend the benefits of asset building services to more individuals and families across the Nation. The ASSET Initiative highlights the six asset building strategies shown above.

ACF grantees, partners, and staff can incorporate these strategies into their efforts to support individuals and families. The programming ideas suggested here are only examples of how agencies and organizations can incorporate asset building into their work with families to improve their financial stability.

09/15/2011 - ASSET13

